

REMARKS

The Office Action mailed on June 10, 2003, which finally rejected claims 65, 69, and 76-83, has been reviewed and the comments of the U.S. Patent and Trademark Office have been considered. Claims 65, 69, and 76 and 80 have been amended.

Rejection of Claims 65, 69, and 76-83 under 35 U.S.C. 103(a)

Applicants respectfully assert that pending claims 65, 69, and 76-83 are allowable over the references cited by the Examiner (i.e., U.S. Patent No. 5,966,699 to Zandi and the WWWFinance article) because a *prima facie* case for obviousness has not been established. In order to establish a *prima facie* case for obviousness, three requirements must be met. As quoted from the MPEP §2143: "First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations."

Applicants assert that there is no motivation or suggestion in either reference to combine the teachings of each reference to arrive at the present invention and the prior references do not teach or suggest all the claim limitations. Neither Zandi nor WWWFinance teach a predefined discount rate structure that is common to all bidders. Zandi discloses a system and method for conducting an electronic loan auction. The method of the loan auction in Zandi includes a private consumer/borrower submitting an application providing certain financial information and lenders making offers to the borrower based on the information provided. The borrower accepts bids based on the most favorable terms, which include mortgage rate, closing costs, etc. Each lender provides a specific interest rate in its bid and the borrower compares interest rates.

In contrast, in the present invention, as set forth in amended claims 65, 68, 76 and 80, the buyer compares bids, that have been transformed using the same predefined discount rate structure for each bid. In the present invention, the predetermined discount rate structure is common to all bidders.

As stated in the specification, the "discount rate is typically supplied by the buyer." See, Specification, p. 12, line 8. The discount rate (or interest rate) does not vary among

bidders, but only among items and contract years. See, Fig. 5. In fact, the bidders do not even need to be aware of the discount rate. See, Specification, p. 17, lines 23-24. Zandi requires that the bidders submit an interest rate. The interest rate is not a predefined interest rate, but a rate chosen by the bidder to compete with other bidders in accordance with interest rate.

WWWFinance discloses net-present value calculations. The combination of Zandi and WWWFinance would, at most, teach the use of net present value calculations in a loan auction to provide a net present value of the loan. The different interest rates, rather than a common rate, taught in Zandi would still be used for the different bids.

Therefore, Applicants respectfully submit that the Examiner has not established a *prima facie* case of obviousness and the rejection under 35 U.S.C. § 103(a) should be withdrawn.

CONCLUSION

In view of the foregoing amendment and remarks, it is respectfully submitted that pending claims 65, 69, and 76-83 are in condition for allowance. Accordingly, reconsideration and allowance of claims 65, 69, and 76-83 are earnestly solicited.

Furthermore, Applicants submit that no new matter has been introduced into this Response presented herein. The Examiner is invited to contact the undersigned at 215-963-4753 to discuss any matter concerning this Application.

If there are any other fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-0310 (Billing No. 046700-5003). If a fee is required for an extension of time under 37 C.F.R. §1.136 not accounted for above, such an extension is requested and the fee should also be charged to our Deposit Account.

Respectfully submitted,

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